



FOR IMMEDIATE RELEASE  
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## **NINE INDICTED IN MULTI-MILLION DOLLAR BUSINESS OPPORTUNITY SCHEME**

PHOENIX -- A federal grand jury in Phoenix returned a 33 count indictment against David Goldfarb, 58, of Scottsdale, Arizona; Richard Ross, 67, of Scottsdale, Arizona; Paul Woodcock, 60, of Scottsdale, Arizona; Milton Guenther, 51, of Phoenix, Arizona; James Bonebrake, 59, of Cave Creek, Arizona; Raymond Marshall, 57, of Frisco, Texas; Brian Ongaro, 48, of Frisco, Texas; Mike Ibler, 54, of Sweethome, Oregon; Colin McHale, 40 of Scottsdale, Arizona, for a violation of Mail Fraud, Conspiracy and Money Laundering.

FBI Special Agent in Charge John Lewis stated, "The defendants' scheme to defraud was ongoing and took in 40 million dollars. They solicited new licensees through ads, the internet, seminars, statements, and use of paid referrals, knowingly and intentionally misrepresenting the quality of their company, CLS's services, by understating the costs and risks associated with establishing a CORF, including patient activity, potential income and profit."

The indictment alleges that from May 2001 through June 2003, David Goldfarb, Richard Ross, Paul Woodcock and Milton Guenther operating as CORF Licensing Services (CLS) contracted with over 300 licensees to establish outpatient facilities mainly providing pulmonary respiratory therapy and physical therapy services. These individuals marketed the concept through ads, website and seminars wherein the financial benefits of owning and operating a facility of this kind were grossly misrepresented.

Prospective licensees paid anywhere from \$100,000 to \$165,000 to enter a contract with CLS for various services associated with getting these facilities up and running.

The indictment further alleges that as part of the scheme to defraud, the prospective licensees were referred by the principals of CLS to James Bonebrake, Raymond Marshall, Brian Ongaro, Colin McHale and Mike Nibler, CORF owners. It was part of the scheme that these referrals were paid by Goldfarb, Ross, Woodcock and Guenther through CLS to falsely tout the virtue of owning and operating a CORF and in effect confirmed the misrepresentations made by them to lure customers. None of the licensees were told that the referrals were being paid by CLS.

From the inception of CLS in 2000 through June 2003, CLS received approximately \$40 million. From this amount, Goldfarb received approximately \$3.5 million, Ross received approximately \$2 million, Woodcock, \$4 million. Bonebrake was paid approximately \$500,000, McHale received \$300,000, Marshall and Ongaro approximately \$750,000, Nibler received \$600,000 to act as pitchmen for CLS.

A conviction for Mail Fraud carries a maximum penalty of 20 years, a \$250,000 fine or both; Conspiracy carries a maximum penalty of 5 years and a \$250,000 fine or both; and a conviction for

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Money Laundering carries a maximum 20 years and a \$500,000 fine or both to each count. In determining an actual sentence, the Judge will consult the U.S. Sentencing Guidelines, which provide appropriate sentencing ranges. The judge, however, is not bound by those guidelines in determining a sentence.

An indictment is simply the method by which a person is charged with criminal activity and raises no inference of guilt. An individual is presumed innocent until competent evidence is presented to a jury that establishes guilt beyond a reasonable doubt.

The investigation preceding the indictment was conducted by the Special Agents of Criminal Investigation Internal Revenue Service, U.S. Postal Inspector and the FBI. The prosecution is being handled by Stephen W. Laramore, Assistant U.S. Attorney, District of Arizona, Phoenix.

CASE NUMBER: CR-07-260-PHX  
RELEASE NUMBER: 2007-070(Goldfarb, et.al.)

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